

April 5, 2024

Dear Senators:

On behalf of the Domestic Policy Caucus, I am writing to express our opposition to the expansion of 340B, the federal law on prescription drugs, which S.B. 751 would create in Missouri.

The law was meant to help low-income people afford their medicines. Unfortunately, “The financial benefits of the 340B discounts are accruing almost entirely to [for-profit] hospitals, clinics, and physicians; and patients’ out-of-pocket costs and total cost of care are being increased,” according to an article in JAMA.<sup>1</sup> Indeed, the profit has become a major revenue source for providers, with seemingly little care from the providers about the impact on the ability of patients to have their medical needs satisfied or about the impact on the states in which they operate.

We are very much concerned that S.B. 751 would hand over even more economic power to massive, national chain pharmacies that have driven so many local, mom-and-pop pharmacies out of business over the past several years. Haven’t the likes of Walmart and Walgreens done enough to harm main streets across Missouri?

S.B. 751 would create an economic environment in which incentives would be put in place to encourage even more consolidation of healthcare systems, to put healthcare farther out of reach of rural Missourians, and to imperil the ability of underserved Missourians to receive the medications they need, all while lining the pockets of big healthcare systems and giant chain pharmacies. Meanwhile, it would do nothing to reduce healthcare costs, which is what everyone really wants. Indeed, it probably would actually increase costs while resulting in poorer health outcomes.

As you know, pharmacies are essential to the communities they serve. But in Missouri and throughout America, rural independent drugstores are struggling.

In a 2022 policy brief,<sup>2</sup> the Rural Policy Research Institute reported this troubling fact: The number of independently owned retail pharmacies declined by 16 percent in the United States between 2003 and 2021. According to NPR,<sup>3</sup> that has contributed to the appearance of what are called “pharmacy deserts”—areas where residents must drive more than 15 minutes to a drugstore.

GoodRx has produced a map<sup>4</sup> of the nation’s pharmacy deserts showing that hundreds of thousands of rural and suburban Missourians have inadequate access to a drug store—in fact, only Dent, Livingston, and St. Louis Counties have no pharmacy deserts, and in more than three dozen Missouri counties, 100% of the residents live more than 15 minutes from the three closest pharmacies.

Disparities in access to care and health outcomes for rural, underserved, and minority populations have long been significant issues. Any policy that could further restrict the availability of medicines to these populations—or force them to travel farther to obtain them—needs to take the issue of health equity into consideration.

There should be much more discussion, analysis, and debate before determining whether to head down this uncertain and troubling healthcare policy path.

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<sup>1</sup> <https://jamanetwork.com/journals/jama/article-abstract/1680369>

<sup>2</sup> <https://rupri.public-health.uiowa.edu/publications/policybriefs/2022/Independent%20Pharmacy%20Closures.pdf>

<sup>3</sup> <https://www.kmuw.org/the-range/2024-02-02/independent-pharmacies-struggle-to-stay-open>

<sup>4</sup> <https://www.goodrx.com/healthcare-access/research/healthcare-deserts-80-percent-of-country-lacks-adequate-healthcare-access>

Please don't be like the legislator in our cartoon. Vote no on S.B. 751.

Thank you,

*Kent Kaiser*

Kent Kaiser, Ph.D.  
Secretary/Treasurer  
Domestic Policy Caucus  
651-338-1777

[www.domesticpolicycaucus.com](http://www.domesticpolicycaucus.com)

